United Nations E/2003/56

Economic and Social Council

Distr.: General
28 April 2003

Original: English

Substantive session of 2003
Geneva, 30 June-25 July 2003
Item 7 (i) of the provisional agenda*
Coordination, programme and other questions:
Information and Communication Technologies Task Force

First annual report of the Information and Communication Technologies Task Force**

Report of the Secretary-General

Summary

The Information and Communication Technologies Task Force was formally launched by the Secretary-General on 20 November 2001. The Task Force provides a global forum on integrating information and communication technologies (ICT) into development programmes and a platform for promoting partnerships of public, private, non-profit, civil society and multilateral stakeholders by helping develop new models of leadership and collaboration to advance significantly the global effort to bridge the digital divide and foster digital opportunity.

During the first year of its mandate, the Task Force has become a universally recognized forum where the ICT and the development communities interact in their quest to mobilize worldwide support for the objective of attaining the Millennium Development Goals with the use of ICT. The Task Force has helped develop a holistic policy response to the challenge of putting ICT in the service of development, particularly for people living in poverty and in rural areas. To this end, it has paid special attention to Africa. It has also begun to address policy issues related to the integration of national e-strategies into the overall development and poverty eradication strategies.

In the coming years, the Task Force will implement a focused strategy to make support of the realization of the Millennium Development Goals the paramount objective of its work.

* E/2003/100.

** The document was submitted late to the conference services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that, if a report is submitted late, the reason should be included in a footnote to the document.

03-33855 (E) 290503

Contents

		Paragraphs	Page
I.	Introduction	1–7	3
II.	Current environment	8–23	4
	A. Global economic development and the ICT revolution	8–17	4
	B. The changing digital divide	18–23	6
III.	Role of the Information and Communication Technologies Task Force	24–29	8
IV.	Accomplishments	30–73	10
	Activities and initiatives of the working groups and regional nodes	41–73	12
V.	Overall assessment and the challenges ahead	74–82	17
VI.	Conclusion	83–85	19

I. Introduction

1. The present report has been prepared in response to the mandate contained in Economic and Social Council resolution 2000/29 of 28 July 2000 on an information and technologies task force, in which the Council endorsed the recommendations of the Ad Hoc Open-ended Working Group on Informatics contained in the annex to that resolution. The recommendations stipulated, inter alia, that the Secretary-General should submit an annual report on the activities of the task force to the Economic and Social Council for its consideration. By its decision 2001/210 of 13 March 2001 on the establishment of the Information and Communication Technologies Task Force, the Council requested the Secretary-General to undertake the necessary steps to establish the Task Force as recommended in the report of the Secretary-General (E/2001/7), paragraph 35 of which states that the Secretary-General will report annually to the Economic and Social Council on the work of the Task Force.

2. The Information and Communication Technologies Task Force was formally launched by the Secretary-General on 20 November 2001. In January 2003 members of the Task Force approved its first annual report to the Secretary-General, on which the present report is based. Task Force activities in the period since December 2002 will be covered in the second annual report of the Task Force.

3. Since its launch, the Task Force has worked to put information and communication technologies (ICT) at the service of development. The Task Force provides a global forum on integrating ICT into development programmes and a platform for promoting partnerships of public, private, non-profit, civil society and multilateral stakeholders by helping develop new models of leadership and collaboration to advance significantly the global effort to bridge the digital divide and foster digital opportunity.

4. The ownership of national and regional strategies by developing countries themselves is obviously crucial to the development that are culturally and economically viable. The involvement of Governments helps lend public accountability to the work of the Task Force. Private sector involvement is of strategic importance in this area not only to provide technological expertise and innovation but also to lead in devising market-based solutions that are socially responsible and invest the resources required to build ICT infrastructure to achieve universal access. Multilateral institutions are an indispensable source of expertise, advice and assistance, while the non-profit sector lends the voice of civil society that reflects the public interest.

5. The Task Force has laid a solid foundation for implementing its mandate. It has set clearly defined objectives that reflect diverse interests of its stakeholders and add value to the work of other initiatives. It helped forge partnerships among diverse interests and stakeholders, joined hands with other key global initiatives and is helping to develop a common ICT-for-development agenda focused on the over-arching objective of the United Nations — the achievement of the Millennium Development Goals. An extensive worldwide net of collaborative links with relevant programmes and activities, policy makers and experts has been put in place. The Task Force has also built a global network of working groups and regional nodes that are serving as principal implementors of its strategy and action plan. A number of important deliverables have already been achieved.

6. The experience of the first year was instrumental in achieving a clearer understanding of the environment in which the Task Force is operating and of its own comparative advantages, as well as limitations. This experience served as a basis for developing a strategy for the coming two years that is ambitious but realistic, broad in scope but focused on results.

7. This report provides a brief overview of the environment in which the Task Force operates, an assessment of progress made over the first year and an outline of the agreed strategy and plan of action for the second and third years of the initial mandate of the Task Force.

II. Current environment

A. Global economic development and the ICT revolution

8. When the Task Force was launched, there was deep uncertainty about the future of the world economy. The technology boom and the "irrational exuberance" of the late 1990s had given way to a collapse in investment in the industrial world following the bursting of the "dot.com" bubble. Consolidation and retrenchment rather than expansion were the watchwords not only in the technology sector, but also in the developed economies in general. Developing countries, in general, have suffered a more serious setback with foreign investment declining sharply and net capital flows turning negative in many countries. Despite signs of tentative economic recovery in the developed countries, business conditions remain fraught with risk and uncertainty. This difficult and unpredictable global environment affected the work of the Task Force and made it more difficult to promote major initiatives.

9. Yet, there are significant bright spots in this otherwise dismal global environment. The most significant from a development perspective is that ICT penetration both in the advanced and developing economies has continued, albeit at a slower pace, even in this adverse economic environment and the growth of the networked economy has continued unabated. In spite of current recessionary conditions, the trend towards "convergence", including between old and new media, has been accelerating, creating new opportunities, new applications and new forms of competition.

10. This positive correlation between ICT and growth is also a factor in the remarkable resilience demonstrated by some developing economies such as China, India and the Republic of Korea and, to a lesser extent, Brazil, during this period. In the cases of China and India, while their sheer size may have shielded their economies from external shocks, the fact that they have continued to perform so well even in an adverse global environment has been, at least in part, due to their advanced ICT sectors and the penetration of ICT in their economies. The economic performance of the Republic of Korea seems even more closely linked to its embrace of ICT as a key to efficiency and improved productivity. Brazil, the largest Latin American economy, has also fared well for similar reasons. But even small and medium-sized economies such as Costa Rica, Malaysia, Ghana and Chile have taken advantage of ICT to achieve sustained growth.

11. Even with the economic slowdown, the number of people using the Internet worldwide has almost tripled from just over 200 million at the start of 2000 to more than 600 million in 2002. This number is projected to reach 2 billion by the end of 2005 and by then half of these people are expected to be using devices other than personal computers for access to the Internet. In China, for example, there are 5 million new cell phone users each month. Even more remarkably, the highest growth of Internet users is in the Republic of Korea and the highest rate of growth in the use of mobile phones is in Africa, albeit from a low base.

12. Another notable feature of current trends is that the "productivity miracle" of the 1990s, particularly in the United States of America, but also in some other developed economies with high ICT diffusion such as Australia, Finland, Ireland and Sweden, has held up even during the recession. This indicates that the impact of the ICT revolution on the economy is not merely cyclical, but has had a significant structural effect on productivity.

13. Technologies have also continued to evolve towards greater convergence and declining costs. The emergence of wireless technologies, both in computing and communications, is creating large new opportunities for low-cost access, as well as for new applications. In particular, third generation wireless phone networks and the 802.11 wireless standard (WiFi) could complement one another and give rise to a whole new generation of text- and media-based applications.

14. The rapid expansion of mobile telephony, the emergence of new wireless and satellite-based solutions for low-cost access and the growing trend towards convergence indicate that, rather than being at its cusp, the ICT revolution is still at its beginning.

15. E-commerce is still growing by about 35 per cent a year, whereas traditional trade growth is only 4 to 5 per cent. The number of secure business-to-consumer transactions is expected to reach $75 billion by 2004. The pace of ICT diffusion may have temporarily slowed in mature markets, but convergence and falling costs are opening up new opportunities in the still to be tapped market in the developing world. Satellite, wireless and broadband technologies offer unprecedented opportunities for building a universal network, provided regulatory and cost hurdles can be overcome.

16. Unfortunately, with few exceptions, policy, regulatory and institutional reform in most countries, as well as at the global level, has not kept pace with technological advances, so that growth opportunities arising from potential applications of ICT remain unseized, especially in developing countries. The creation of enabling policy and regulatory and institutional infrastructure at the national and global levels is thus critical to the success of the search for universal and affordable access to ICT. Recent work, particularly under the aegis of MediaLab Asia in India (which serves as the regional sub-node of the United Nations ICT Task Force), has shown that given a conducive regulatory environment, local entrepreneurs in developing countries can leverage WiFi-based technology to create a widely spread wireless infrastructure that grows seamlessly with the rural communications market, ultimately scaling up to universal broadband connectivity.

17. The Task Force sees as one of its major roles bridging the "two halves" of the global ICT economy: the excess supply in mature markets in developed countries

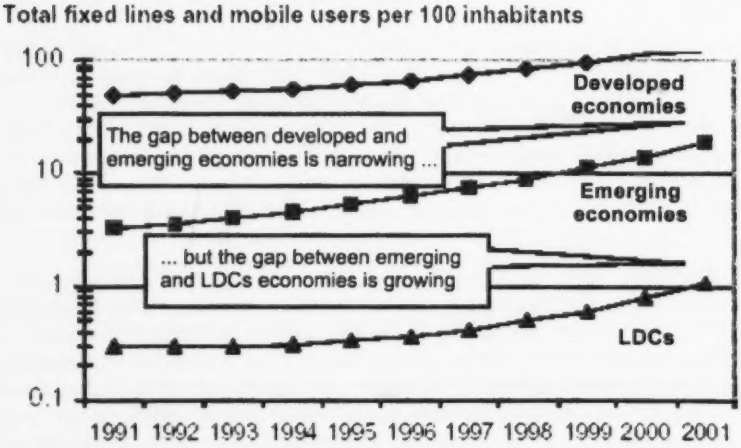
and shortage of supply and increasing demand in the growing and potential markets in developing countries.

B. The changing digital divide[1]

18. In recent years, as ICT have become a more important part of the global information economy, more attention has focused on the gap in access to ICT between developed and developing nations. This gap has come to be known as the "digital divide". But how big is it and is it increasing?

19. One way of measuring the digital divide is to look at the penetration of telephone subscribers (both fixed-line and mobile) per 100 inhabitants (total teledensity) in different parts of the world. In 1991, total teledensity stood at 49.0 in developed nations, 3.3 in emerging nations and just 0.3 in the least developed countries (LDCs). A decade later, the corresponding levels were 121.1, 18.7 and 1.1. The ratio between developed and emerging economies dropped by more than half from 15:1 to 6:1. However, the gap between emerging economies and LDCs actually grew, from 12:1 to 17:1. In fact, while emerging economies, such as China and Viet Nam, have done particularly well, this success does not appear to be filtering down to the lower rungs of the development ladder (see fig. 1).

Figure 1
Measuring the digital divide

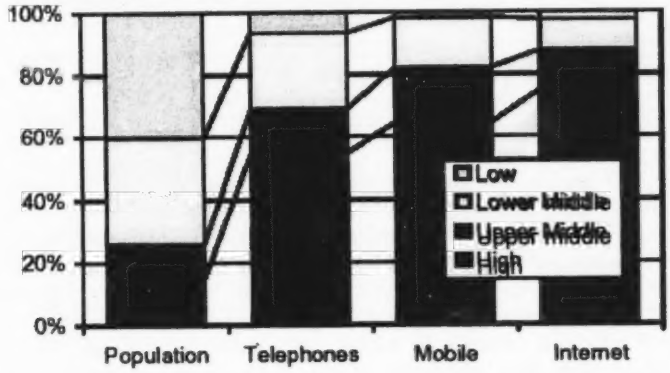

Total fixed lines and mobile users per 100 inhabitants
100
10
1
0.1
Developed economies
The gap between developed and emerging economies is narrowing ...
Emerging economies
... but the gap between emerging and LDCs economies is growing
LDCs
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001

Source: *ITU World Telecommunication Development Report, 2002: Reinventing Telecoms.*

20. The gap in access to basic telecommunications services may be narrowing. But the nature of the digital divide is shifting: from basic to advanced telecommunication services and from quantity to quality of access. The Internet is evolving into a worldwide network and in 2001 the Asian and Pacific region, rather than Western Europe or the Americas, emerged as the top Internet region, by number of users. Even though developing countries have raised their share of the world's Internet users from 2 per cent in 1991 to 23 per cent of the half a billion or so users around the world in 2001, access to the Internet is much less evenly distributed than telephone access (see fig. 2). Furthermore, individual users' experience of using the Internet also varies widely. For example, the 400,000 citizens of Luxembourg share more international Internet bandwidth than Africa's 760 million citizens. This gives them much faster access to the World Wide Web.

Figure 2
Access to ICT, by income group

Distribution by economic classification, 2001



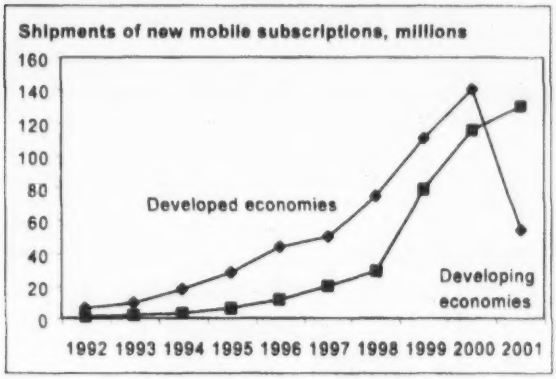
Source: *ITU World Telecommunication Development Report, 2002: Reinventing Telecoms.*

21. In the spring of 2000, high technology stocks around the world started a prolonged crash, which in turn triggered a wider telecommunications recession. How does this affect the so-called digital divide between developed and developing countries? In developed countries, it seems that future demand for telecommunications services, especially Internet bandwidth, had been overestimated. There is chronic overcapacity on many routes between developed countries. It is estimated, for instance, that only 4 per cent of optical fibre is utilized in the United States of America. On the other hand, telecommunications capacity is still in short supply in the developing countries, where future demand is greatest.

22. One effect of the telecommunications crash has been to establish a new link between supply and demand, as shown in figure 3. The mobile market has been one of the fastest growing parts of the ICT sector. Until 2000, developed countries accounted for the majority of new mobile subscriptions sold each year. This changed in 2001. New subscriptions in developed economies decreased while those in developing economies continued to grow and actually overtook those in developed

economies. In the fixed-line business, too, four times as many new lines were installed in the developing world as in the developed world in 2001. This is a sure sign that the digital divide may at last be shrinking.

Figure 3
Who is buying mobile phones?



Source: ITU World Telecommunication Indicators Database.

23. The new ICT media, but also the traditional media, such as television and radio, and their potential convergence, could play an important role in accelerating development and achieving the Millennium Development Goals and should be mobilized for transmitting ICT messages in rural and marginal areas of developing countries, disseminating information and knowledge useful for development. Television and radio are often effective alternatives with respect to development among the very poor and illiterate. In Africa, for instance, radio is still by far the most dominant medium, with ownership of radio sets far higher than that of any other electronic device.

III. Role of the Information and Communication Technologies Task Force

24. With the explosive growth of the networked economy in the last decade, two beliefs emerged among those concerned with the global development agenda. The first, borne out by growing evidence in many advanced and in some developing economies, was that ICT had emerged as a key factor of higher productivity and growth and that it could play a crucial role in national strategies for development. ICT were found to have a special potential to help countries reach key development goals, including those agreed upon at the United Nations Millennium Summit. The second belief was that there was a "window of opportunity" for developing countries to "leapfrog" and plug into the emerging networked economy before new business and technological models are put in place and a global policy framework is evolved.

25. As a burgeoning digital economy rapidly transformed economic and social life around the world, there was a feeling that business models and expectations were being set in place that might determine for years to come who would benefit from the new, globalized economy and the digital technologies that increasingly enabled it. Members of the Task Force felt that they must act now to assure developing nations access to new technologies and to ensure that the policies governing the use of these technologies were designed from the outset to close rather than widen the economic and social gaps that exist between and within countries.

26. On the basis of the slight slowing of momentum in the technology industry, it can be said with some confidence that the opportunity is not lost — yet. But much remains to be done to build on work accomplished and continue to engage policy makers and other key stakeholders in both developed and developing countries in meeting the challenges that lie ahead. The United Nations ICT Task Force was founded on these insights. It has been mandated to promote awareness, inclusive policies and innovative technological and business models, and to build public-private-civil society partnerships that would contribute to the realization of development goals through the application of ICT. The Task Force was intended to lend a truly global dimension to the many efforts to bridge the global digital divide, foster digital opportunity and place ICT squarely at the service of all the world's citizens, not just the privileged few. One of its primary tasks is to help ensure a meaningful involvement of developing countries in global policy-making. Developing countries must be enabled to integrate into and take advantage of the emerging networked economy and information society as early as possible.

27. The Task Force, not being an operational, implementing or funding agency, serves as a catalyst with a facilitating and advisory role designed to promote synergy and better coordination, and promoting partnerships and initiatives that would advance the ICT-for-development agenda. It provides a focal point for establishing strategic direction, policy coherence and advocacy in relation to the global ICT-based development agenda.

28. From the start, the United Nations ICT Task Force has endeavoured to build bridges and develop collaborative actions with other major initiatives in this area, in particular, the G8 Digital Opportunity Task Force (DOT Force) and its follow-up, the Development Gateway Foundation, the World Economic Forum, the Global Business Dialogue on Electronic Commerce, the Internet Corporation for Assigned Names and Numbers (ICANN) and the Global Information Infrastructure Commission (GIIC), as well as key multilateral institutions and regional organizations. The overall aim of the ICT Task Force has been to serve as a catalyst for coordinated actions to help achieve maximum impact.

29. To that end, through an open, inclusive and decentralized approach, stakeholders' campaigns and electronic outreach to policy makers and broader audiences across the world, the Task Force has built a global network of working groups and regional nodes as platforms for the implementation of its overall Plan of Action and for addressing critical elements of the challenge of harnessing the potential of the ICT revolution for development. It has served as a catalyst for building partnerships for action at the national and regional levels in coordination with other major ICT initiatives and stakeholders.

IV. Accomplishments

30. Soon after its inauguration, the Task Force adopted a plan of action and a mission statement,[2] built on guidance contained in the Millennium Declaration, the Economic and Social Council 2000 Ministerial Declaration and the mandate contained in the report of the Secretary-General (E/2001/7), identifying a set of objectives for the short, medium and long term. The key areas of action included: ICT policy and governance, national and regional e-strategies, human resource development and capacity-building, low-cost connectivity and access, business and entrepreneurship, as well as resource mobilization.

31. During the first year of its work, the Task Force has accomplished the short-term goals of its Plan of Action, including launching a major awareness-raising and outreach effort at the global, regional and national levels, setting up a web site and creating stakeholder networks (government policy makers, private sector, foundations and NGOs). Significant effort went into promoting public-private partnerships aimed at assisting developing countries to design and implement national e-strategies.

32. Through its working groups and regional nodes, the Task Force has initiated a focused action-oriented examination of ways to enhance the participation of developing countries in global ICT policy-making forums, contributed to building national e-strategies for poverty reduction and to human resource development in developing countries. The Task Force has paid particular attention to promoting ICT-for-development in Africa. It has agreed on an ambitious strategy for the next two years, focusing on the application of ICT for achieving the Millennium Development Goals and on making a substantive contribution to the preparations for the World Summit on the Information Society.

33. The Task Force has also extended support to ongoing efforts to develop innovative solutions for affordable access and connectivity for the poor and in rural areas, and for the creation of diversified local content. In doing so, the Task Force has sought to build upon and leverage ongoing work by the DOT Force implementation teams and by other networks such as the United Nations Information Technology Service (UNITeS) and the Health Internetwork. It has built close working relationships with the World Bank, the United Nations Development Programme, ITU, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the United Nations Development Fund for Women (UNIFEM), the United Nations Institute for Training and Research (UNITAR), the Economic Commission for Africa (ECA), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Europe (ECE), the Economic Commission for Latin America and the Caribbean (ECLAC), the regional development banks, Massachusetts Institute of Technology (MIT) Media Laboratory and Media Lab Asia and other relevant organizations. The United Nations Fund for International Partnerships (UNFIP) assisted the Task Force in building and expanding its partnership initiatives. Special efforts have been made to develop cooperation with the New Partnership for Africa's Development (NEPAD), the e-Africa Commission, the African Information Society Initiative (AISI) and Africa Connection in support of the efforts to build digital opportunities in Africa.

Activities and initiatives of the working groups and regional nodes

41. In order to forge strategic partnerships linking United Nations organizations, private industry and financing trusts and foundations, donors, developing countries and other relevant stakeholders in key priority areas, the Task Force has set up five open-ended working groups that have attracted all the key stakeholders. Regional nodes have been established in Africa, Asia, Latin America and the Caribbean, Arab States, Europe and Central Asia, bringing together Governments, multilateral institutions, major regional initiatives, the private sector and civil society representatives. A brief outline of activities undertaken through the working groups and the regional nodes is provided below.

42. *ICT policy and governance*. While domestic policies are needed to harness ICT for development effectively, international policies forged in multilateral institutions will increasingly define the range of policy options available to developing countries. For example, through the Doha Development Agenda, members of the World Trade Organization will consider new trade obligations governing electronic transactions. Developing country stakeholders should participate in these negotiations to influence the development of international obligations that reflect developing countries' ICT experiences and needs.

43. Many developing countries have not participated in international ICT policy processes owing to capacity and process limitations. This may cause developing country stakeholders to question the legitimacy and accountability of international governance processes and outcomes related to ICT and impede both developed and developing countries in achieving their national and international ICT initiatives. It thus has been a shared goal of the G8 DOT Force and the United Nations ICT Task Force to strengthen developing countries' voices in international ICT policy processes.

44. The Task Force Working Group on ICT Policy and Governance thus focuses on ways to enhance developing nation stakeholders participation in global policy-making related to ICT. The Group has conducted its activities in close collaboration with the DOT Force Implementation Team 5, in particular, by developing two key documents: "Louder voices: strengthening developing country participation in international ICT decision making", a survey conducted by the Commonwealth Communications Organisation and the PANOS Institute with support from the Department for International Development (DFID) (United Kingdom); and "A roadmap: global policy making for information and communications technologies: enabling meaningful participation by developing-nation stakeholders".

45. An implementation strategy for the recommendations contained in these documents has been developed and the Global Partnership for Policy Participation was established in 2002. The Partnership is a multisector organization of Governments, industry, foundations, non-profit organizations and international policy-making bodies dedicated to inclusive global policy-making on ICT issues. Its mission is to increase and enhance meaningful and effective participation by developing nations in international venues where those policies are made. The Partnership is prepared to work as an operational vehicle for the Working Group, as needed.

46. *National and regional e-strategies*. The focus of e-development strategies is to enhance development through effective deployment of ICT, putting in place the

conditions necessary to achieve that end. Drawing on lessons learned from collective experiences in e-development strategies, the Task Force Working Group on National and Regional e-Strategies has developed a template and blueprint for action outlining 10 steps that can be seen as enhancing the success of such an endeavour and learning process. These cover areas of action and potential collaboration between stakeholders at the global and national levels.

47. In the approach taken in the template and blueprint for action, national e-development strategies are viewed as an interactive and flexible process rather than as a fixed output. Furthermore, the steps are not prescriptive. Rather, they provide some principles that can be followed, with the assumption that countries will tailor them to respond to their realities and not necessarily retrace all the steps of those who have gone before. Two primary audiences are envisaged: all those interested in the development and implementation of national e-development strategies; and Governments and their partners currently implementing e-development strategy initiatives.

48. Analysis of past e-strategies indicates that their impact on development and results achieved have varied in relation to the focus and role assigned to ICT (relative weight of ICT as an enabler as opposed to ICT as a sector), the degree of "holism" or consideration of cross-sectoral elements and linkages, the extent to which the strategy draws on the inputs and involvement of all the different stakeholders as a process as well as the enabling conditions and the resource mobilization environment.

49. The approach also suggests that there need to be close linkages between strategy development, resource mobilization and "business" models. This is true particularly in the present economic environment, given the slowdown in private investment flows and in the overall growth of economies, so that countries will need to think of enabling conditions, strategies and resource mobilization anew, as well as collaborate with the private sector on the basis of new business models.

50. The approach is designed to stimulate the deployment of national and regional e-strategies and to create synergies, linkages, cooperation and coordination among the many existing and emerging initiatives on the ground, such as those launched by the World Bank, UNDP, ECA, ITU and others.

51. *Human resources and capacity-building* are recognized by the Task Force as central to building an inclusive information society. The Task Force Working Group on Human Resources Development and Capacity Building is working closely with relevant United Nations agencies and other partners from the private and public sectors, together with educators and researchers in both developed and developing countries, to promote the use of ICT for capacity-building and human resource development. Three areas of focus to which the Group devotes resources and attention have been defined. They are ICT and technology policy issues relating to human capacity development, health and content.

52. The first area of focus, relating to human capacity development, deals with a key priority of the Group, which is to harness ICT for education, with particular attention to overcoming existing disparities in educational and training opportunities and achievements between men and women. The Working Group believes that education for all is the prerequisite for ICT literacy and thus the training of trainers is a priority. Indeed, human and institutional capacity underlies the entire

development process and is the basis (together with infrastructure) for the successful use of ICT for human development. It is a prerequisite for the creation of digital content, and for the application of ICT to any thematic area in development (for example, education, health, environmental management, etc.).

53. In the second area of focus (health), emphasis is placed on supporting the development and application of ICT to strengthen health-care systems and infrastructure to support the United Nations Secretary-General's initiative to combat HIV/AIDS and other infectious and communicable diseases. Working with WHO, the Joint United Nations Programme on HIV/AIDS (UNAIDS) and UNDP, as well as community, state, national, and international partners, the Working Group is acting to raise awareness, gain support and foster public-private partnerships to address needs identified at the national and regional levels for scaling up or introducing new initiatives and mechanisms, using ICT in management and prevention efforts, research and development, treatment, distribution, monitoring, training and care.

54. The Working Group is also committed to supporting a third area of focus — the creation of local content in relation to both education and health to empower the poor and illiterate by making the Internet and ICT relevant to their lives. The Working Group is working with software/application developers, the open source community, manufacturers and vendors to provide content and applications important to, and usable in, developing countries.

55. The importance of working with and ensuring support in the form of resources and attention to the Task Force regional nodes has been reiterated, as was the aim of supporting the World Summit on the Information Society.

56. *Low-cost connectivity and access* is a crucial component of ensuring digital opportunity for developing countries. This complex array of issues is handled by the Task Force Working Group on Low Cost Connectivity and Access, which is working with telecommunications carriers to explore ways of making the excess cable and satellite capacity of those carriers available to developing countries, in particular least developed ones, on a significantly discounted basis. The Group is also working with developing countries, ITU and other public and private partners to create a framework under which such arrangements would be managed. In another major initiative, the Group, in partnership with public and private partners, is investigating the feasibility of the establishment of national and regional Internet exchange points in developing regions, especially in Africa, to minimize the need for expensive international connectivity, allowing Internet service providers (ISPs) and other network managers to achieve economies of scale in their network connectivity and expand regional coordination and cooperation on telecommunications issues.

57. The work on these initiatives has shown some progress. Yet, given the limited resources available to the Group and the general mandate given to the Task Force, it has been decided that the Group would focus on raising policy awareness on these issues and on coordination among existing connectivity initiatives, building on the achievements of the DOT Force.

58. Three areas of focus have been defined. The first is the international dimensions of connectivity. Here, the Group aims to support some of the current initiatives, such as those launched by ITU and DFID. Members of the Group have

also been in contact with potential partners, notably the European Space Agency and Intelsat, that have expressed their interest in this area.

59. The second area of focus is that of the regional and national levels, where the deployment of Internet exchange points, strengthening the technical expertise of operators and the achievement of Internet traffic efficiency have emerged as crucial elements in improving connectivity and reducing costs. The Group will devote resources and attention to support current work by the African Association of ISPs (AfriSPA), the Africa Network Operators Group (AfNOG) and other ISP associations in the developing world.

60. The third area of focus is that of low-cost connectivity and access at the local level. Here the Group has contributed to supporting a dialogue between some of the key initiatives established in this area, such as that of the Government of France on local access points in Africa and that of the MIT Media Laboratory in India. The Group intends to promote cross-fertilization between these initiatives and pilot schemes, as well as others such as telecentres.

61. The Group is also considering the role of spectrum delicensing in lowering infrastructure costs, fostering technology innovation and spurring market development for communications in developing countries.

62. The importance of giving priority to the African continent in the work of the Group has been reiterated and the aim of supporting the ICT component of NEPAD remains high on the Group's agenda.

63. *Business enterprise and entrepreneurship.* The activities and plans of the Task Force Working Group on Business Enterprise and Entrepreneurship embody one of the principal strengths of the Task Force, its multi-stakeholder character with a strong involvement of the private sector, and one of the major undertakings of the Task Force, finding ways to leverage the power of ICT tools to mobilize the potential of the entrepreneurs of the developing world to foster sustainable economic development, including poverty alleviation. The Working Group has invited members of the DOT Force and the World Economic Forum and other similar organizations to participate in its discussions and help advance the work that is already under way.

64. Three initiatives have been pursued by the Working Group. The first is support for the continuation of the DOT Force small and medium and micro enterprise (SMME) initiative, *Enablis,* which is intended to serve medium-sized enterprises in developing countries, starting with pilot projects in South Africa. *Enablis* is an example of partnerships and assistance for business development in the developing countries and will be instrumental in building experience in this area.

65. The second initiative is called DevelopmentSpace Network and its objective is the establishment of a consortium of like-minded donors committed to the proposition that civil society and the private sector, working in partnership with indigenous entrepreneurs and community-based organizations, can make a significant contribution to the collective challenge of creating "public goods" and helping to alleviate extreme poverty. By connecting entrepreneurs with donors through person-to-person links and virtual and physical markets, the network will dramatically enhance the patterns of corporate and private giving. Furthermore, the partnerships that arise out of the initiative will improve the health and well-being of

poor communities while enhancing economic opportunity and stimulating indigenous entrepreneurs throughout the developing world.

66. The objective of the third initiative, in the area of microfinance, is to champion a breakthrough in the reach and impact of financial services for the world's poor through the use of technology. Set up as a consortium, this project aims to connect clients efficiently with microfinance institutions and with capital markets by developing data and data-processing standards in the microfinance industry. Such moves would dramatically assist individual entrepreneurs, who face serious challenges in obtaining loans and financial assistance for their business development. To achieve this goal, the partners of the initiative are working to unite the power of the commercial sector with the experience of the development sector and increase the efficiency and decrease the cost of transactions. Finally, this initiative will enable microfinance institutions to reap the benefits of scale without losing control, thus allowing them to reach more clients and expand the range of their financial services while raising the overall visibility of the microfinance industry.

67. Five regional nodes have been established to assist developing countries and countries with economies in transition in identifying the most relevant ICT-for-development models and strategies to respond to their specific needs. A key feature of the regional networks is the dynamic involvement and support of the private sector, United Nations regional commissions, funding institutions such as the regional development banks and the World Bank, UNDP and regional ICT organizations and initiatives.

68. The *Arab Regional Node* focuses on enhancing digital opportunities in the region and strengthening interaction with other major ICT initiatives and networks. Among the most notable activities of this regional node, undertaken in collaboration with the Information Technology Association of Jordan, was the initiative of evaluating available e-readiness frameworks with a view to identifying the one most suitable for adoption in a country. In a very promising step towards a comprehensive involvement of all Arab States, the Node signed a Protocol for Cooperation, Coordination and Support with the League of Arab States, with the aim of providing the necessary basis and requirements for organizing and promoting cooperation between the two bodies in the field of information and to realize their objectives of contributing to the advancement, prosperity and economic and social development of the Arab countries through effective interaction with the global knowledge revolution. A series of country meetings on national e-strategies is currently being organized.

69. The *African Stakeholders Network*, supported by ECA, is developing a network relevant to Africa's needs and is sharing information on major African activities and initiatives through mailing lists, web sites and country profiles. It is sensitizing and mobilizing major actors to ensure African ownership and support from partners, and is seeking interlinkages between itself and African and international initiatives. The African Stakeholders Network has helped develop substantively the African contribution to the World Summit on the Information Society.

70. As a vivid illustration of the validity and value of the multi-stakeholder approach, partnership and collaboration, the work of the *Asia Regional Node* is led by the Governments of China, including the Shanghai municipal authorities, and of

India and by the Economic and Social Commission for Asia and the Pacific (ESCAP), which take charge of the cooperation among Governments and between Governments and the private sector and academia, and among international organizations respectively. The Node plans to convene a forum on ICT for sustainable development in Asia, has developed international training activities on ICT application promotion and established partnerships with other regional networks.

71. The *Latin America and Caribbean Node* has concentrated its work on efforts to devise and put in motion a comprehensive strategy for dealing with the challenge of the information society in the region. It has been pursuing its objectives in cooperation with several institutions, such as the Inter-American Development Bank (IDB), the European Commission and UNESCO.

72. The two sub-nodes of the *Europe and Central Asia Node* were established in Geneva, hosted by ECE, and in Moscow. The Moscow sub-node is serviced by the Russian e-Development Partnership (PRIOR) with support from the Government of Russia. The Node is supporting the ICT-for-development and transition process and aims to assist countries in the region to identify the most relevant models and strategies to respond to their specific needs. The main focus established for the region is defining ways for effectively promoting the development of networks, focusing on successful policy solutions and also promoting the diffusion of ICT to the poorer parts of society. The network has placed particular focus on contributing to the World Summit on the Information Society, including through the Pan-European Regional Conference (Bucharest, 7-9 November 2002) in preparation for the Summit. The Moscow sub-node has launched a dedicated web site, set up with support from the Development Gateway.

73. As the working groups and regional nodes continue to develop and carry out their activities, an important task would be to synthesize and evaluate the results to draw out best practices and lessons learned and to ensure close alignment of the activities of the working groups and nodes with the Millennium Development Goals. This should also promote a better understanding of what works and what does not and help evolve frameworks to capture the key policy elements relevant to the successful harnessing of ICT-for-development for wider dissemination.

V. Overall assessment and the challenges ahead

74. The initial phase of the Task Force has been successfully completed. During the first year of its mandate, the Task Force has become a universally recognized forum where the ICT and the development communities interact in their quest to mobilize worldwide support for the objective of attaining the Millennium Development Goals through the use of ICT. The Task Force has helped develop a holistic policy response to the challenge of putting ICT in the service of development, particularly for people living in poverty and in rural areas. To this end, it has paid special attention to Africa. It has also begun to address policy issues related to the integration of national e-strategies into overall development and poverty eradication strategies, including Poverty Reduction Strategy Papers where they exist. At the same time, it has strongly advocated the mainstreaming of ICT into the official development assistance policies and programmes of bilateral donors.

75. The working groups, regional nodes and stakeholder networks provide a powerful means for the Task Force to position itself as a broadly recognized forum on ICT-for-development issues. They are already addressing a broad range of policy issues and have launched several initiatives in their respective areas. The five regional nodes have proved their effectiveness in compiling and sharing experience, identifying region-specific goals and priorities and supporting best practices. Widespread interest in participating in activities of the working groups and regional nodes of the Task Force is a strong validation of the basic principles of the modus operandi of the Task Force — decentralization of activities, an open and inclusive approach and reliance, as much as possible, on existing mechanisms, programmes and activities.

76. Efforts have been designed to catalyse and promote partnerships and launch stakeholder campaigns in the key areas of the Plan of Action, with a view to extending the outreach capacity of the Task Force. A close working relationship is being developed with the Millennium Project and Campaign. The Task Force has helped build partnerships and networks among various stakeholders and mobilize resources working with the United Nations agencies and other partners, including the private sector. UNFIP, which serves as the focal point for programmes and projects based on partnership, works closely with the Task Force secretariat in cultivating new and existing partnerships. A high level of cooperation has been achieved between the Task Force and a number of major initiatives, such as the DOT Force, the Digital Divide Task Force of the World Economic Forum, the Global Knowledge Partnership (GKP), the Development Gateway of the World Bank, the Internet Corporation for Assigned Names and Numbers (ICANN), the Organisation for Economic Cooperation and Development (OECD) and the Commission on Science and Technology for Development. Progress made so far in enhancing coordination, networking and partnerships is a strong validation of the multi-stakeholder approach that the Secretary-General has been promoting, in particular through the Global Compact initiative.

77. In the coming years, the Task Force will implement a focused strategy to make support of the realization of the Millennium Development Goals the paramount objective of its work. The Goals provide a powerful rallying point for bringing together the efforts of diverse stakeholders and aligning them towards a common objective and thus helping overcome the fragmented approach that is still prevalent and promote a view of ICT as cutting across all other sectors as a powerful enabler of development.

78. It must be recognized, however, that the Task Force has functioned in a difficult and unpredictable global environment, which has made it difficult to promote major initiatives with a transforming effect on the ground. Market forces have not been conducive to new experiments and solutions. Resources are always scarce, but have been particularly so in this recent period. Awareness raising and advocacy for policy and regulatory reform remain a major challenge. A key part of this challenge would be to help shape an agenda for the World Summit on the Information Society that integrates ICT into the broader development agenda of the United Nations and build a common platform for action by the public and private sectors and civil society.

79. The Task Force has offered its working groups and regional networks as platforms for the preparatory process for the World Summit on the Information

Society to ensure broad-based input, including from the private sector, foundations and NGOs. The Task Force, owing to its character, composition and mandate, is well positioned to help sharpen the focus of the Summit, to define a vision and to help develop an inclusive and universal approach to the information society, with the achievement of the United Nations Millennium Development Goals placed at the centre. In addition, the Task Force can help provide content to the draft declaration and plan of action of the Summit and build multi-stakeholder alliances for action.

80. The Task Force work programme puts particular emphasis on Africa. The aim is to work closely with African-led initiatives to promote sustainable applications of ICT to Africa's development needs and goals. New elements, especially the NEPAD initiative, are encouraging platforms for cooperation on ICT in Africa. It will be of critical importance more effectively to integrate and align existing efforts and to harness synergies and increase cooperation between various actors at the national, regional and international levels. The Task Force has decided to serve as a strategic partner in the following three major areas:

- Supporting innovative ICT programmes and research and development in the field of ICT in Africa
- Harnessing synergies and linking the vast number of ICT initiatives, both within Africa and between Africa and other continents
- Providing a framework for defining collaboration between NEPAD and the African Information Society Initiative (AISI).

81. The strategic plan of the Task Force stresses the importance of better coordination within the United Nations system on ICT-related activities, to maximize efficiency. The Task Force will further promote such coordination and advise the Secretary-General on areas where synergies can be achieved. The coherence of ICT-for-development activities of the United Nations system will be further enhanced through the adoption of a comprehensive ICT strategy for the United Nations system, in accordance with General Assembly resolution 57/295, which envisages a distinct role for the Task Force. Efficient coordination is even more important in the light of the upcoming World Summit on the Information Society.

82. Much remains to be done to achieve the goals set for the second and third years of the Task Force's mandate. Cooperative efforts will continue to identify ways in which the digital revolution can benefit all the world's people, especially the poorest and most marginalized groups. The future success of ICT-for-development will also depend on the commitment of Governments to good governance, the protection of human rights, sound economic policies, and the fight against corruption and for the rule of law. The effectiveness of the work of the Task Force and the value of its contribution to promoting development and achieving the Millennium Development Goals are also predicated on the full involvement of all key institutions engaged in areas of work relevant to the Task Force.

VI. Conclusion

83. **Harnessing the potential of the ICT revolution for development for all, for the reduction of poverty and for the empowerment of those who are currently marginalized is a monumental challenge. The speed of global technological and**

economic transformation demands substantive and urgent action on a global scale to transform the digital divide into digital opportunity for all of humanity.

84. The Task Force believes that its work and processes point to fruitful methods and avenues of intervention. In particular, much can be achieved by global collaboration among sectors that include Governments, the private sector, non-profit organizations, the academic community, multilateral institutions, civil society and NGOs, as well as with other similar initiatives and activities at all levels.

85. Despite the challenges facing international public and private ICT partnerships, the Task Force remains optimistic about the power of ICT to address societal issues and to serve as a tool for economic and social development. The public and private sectors in developed and developing countries, as well as civil society, are dedicated to increasing the participation in ICT of developing country stakeholders, and the United Nations ICT Task Force will continue to serve as a focal point for positive bridge-building across the digital divide.

Notes

[1] This section has been contributed by the International Telecommunication Union.

[2] See the web site of the United Nations ICT Task Force http://www.unicttaskforce.org for these documents.